

Message Text

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PAGE 01 CANBER 06030 010808Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 CCO-00 PASO-00 /021 W
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R 010515Z AUG 78
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC 3938
INFO AMCONSUL BRISBANE
AMCONSUL MELBOURNE
AMCONSUL PERTH
AMCONSUL SYDNEY
USDOC WASHDC

UNCLAS CANBERRA 6030

E.O. 11652: N/A
TAGS: BEXP, ETRD, ETRN, AS
SUBJ: AMERICAN MOTORS REQUEST FOR ASSISTANCE

REF: (A) CANBERRA 3719, (B) STATE 118637 (NOTAL)
(C) CANBERRA 02986

TO: MR. DENNIS L ADAMS
GENERAL MANAGER, FAR EAST OPERATIONS
AMERICAN MOTORS CORPORATION
AMERICAN CENTER
27777 FRANKLIN ROAD
SOUTHFIELD, MICHIGAN 48034
TELEPHONE: 313-827-7920
TELEX: 023-1255

1. ASSISTANT SECRETARY IN DEPARTMENT OF TRADE AND RESOURCES
CALLED EMBOFF SUNDAY NIGHT (JULY 30) TO ADVISE THAT
GOVERNMENT HAD DECIDED TO MAKE NO CHANGES IN STATUS QUO
RESPECTING IMPORT OF LIGHT COMMERCIAL AND FOUR WHEEL DRIVE
VEHICLES.

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2. INDUSTRIES ASSISTANCE COMMISSION (IAC) ITSELF, ACCORDING
TO GOVERNMENT PRESS RELEASE, "CONCLUDED THAT ADDITIONAL
ASSISTANCE FOR THE PRODUCTION OF THESE TYPES OF VEHICLES
WOULD BE LIKELY TO RESULT IN NET EMPLOYMENT LOSSES AND
GENERATE COST AND PRICE INCREASES THROUGHOUT THE ECONOMY."
COMMISSION ALSO RECOMMENDED MAINTAINING DEMARCATION POINT
BETWEEN LIGHT AND HEAVIER COMMERCIAL VEHICLES AT 2.72 TONNES

GROSS VEHICLE MASS, A RECOMMENDATION WHICH GOVERNMENT ALSO ACCEPTED. MINISTERS IN ANNOUNCING DECISION POINTED OUT THAT GOVERNMENT RECEIVED MANY REPRESENTATIONS ON THE ISSUE AND HAD TAKEN DECISION ONLY AFTER CAREFUL CONSIDERATION BOTH OF IAC REPORT AND VIEWS THAT HAD BEEN PUT TO IT DIRECTLY.

3. AS TRADE DEPARTMENT ASSISTANT SECRETARY POINTED OUT, A DECISION TO RETAIN STATUS QUO IS FAIRLY INFREQUENT. DECISION IS IN MARKED CONTRAST TO CONCURRENT DECISION ON PASSENGER AUTOMOBILES, WHICH REDUCED IMPORT QUOTA FROM 94,000 TO 88,000 VEHICLES.

4. ACCORDING TO PRESS ACCOUNT, "QUEENSLAND IMPORTERS OF THESE (I.E. LIGHT COMMERCIAL AND FOUR WHEEL DRIVE) VEHICLES LED THE FIGHT TO PRESERVE THEIR MARKET SHARE - 24 PERCENT OF THE TOTAL SALES - AND FEDERAL OFFICIALS SAID THIS WAS A MAJOR REASON BEHIND THE FINAL OUTCOME, ARGUING THAT AT LEAST 1000 JOBS WOULD BE LOST IN QUEENSLAND, WITH OTHER STATES CLAIMING SMALLER LEVELS."

5. IAC REPORT IS NOT BEING RELEASED AT THIS TIME, SINCE DECISION HAS NOT YET BEEN ANNOUNCED ON THE HEAVIER COMMERCIAL VEHICLES AND COMPONENTS ASPECT OF REPORT.

AMERICAN EMBASSY
CANBERRA, AUSTRALIA.
ALSTON
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NOTE BY OCT: PASSED ABOVE ADDRESSEE.

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Message Attributes

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